

# EXHIBIT A

# CATTLE BUYERS WEEKLY

MARKETING AND BUSINESS NEWS FOR THE BEEF INDUSTRY

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February 2, 2015

## Idaho Cow Market Will Heat Up

THE market for cull cows in Idaho and surrounding states looks set to heat up in the next 12 to 18 months. JBS USA is to start processing cows at its Hyrum, Utah, plant for the first time. The region for several years has had to export most of its cull cows as far as Fresno, Calif., Tolleson, Ariz., or even to Texas. This came after XL Four Star Beef closed its cow plant in Nampa, Idaho, in 2011. This left only three small plants in the region. But January 6 saw an announcement from J. R. Simplot Company and Caviness Beef Packers that they will build a new cow plant just south-west of Boise.

Now JBS has announced a \$75M expansion project at its Hyrum, Utah, plant. The project includes a new state-of-the-art fabrication building, a new cutting-edge ground beef facility and a new distribution center, says JBS. Its plans will lay to rest any lingering thoughts that the Hyrum plant might be vulnerable to closure. Such thoughts had ignored the fact that JBS has spent a lot of money on the plant in recent years to make it one of the best-performing plants of its size in the U.S.

The complete project will allow for the increase of production levels by more than 400 head per day, improve plant efficiencies and expand the business's offerings of high-quality beef and ground beef products for customers, says JBS. All of the 400-head increase will be cows. The plant currently processes 2000 fed cattle per day or 10,000 head per week. It will remain a single-shift operation even with the additional cows.

JBS obviously had planned the expansion long before Simplot-Caviness announced its plans for what will be called CS Beef Packers LLC. Hyrum is likely to start harvesting cows well before the new plant. The project has received all necessary regulatory approvals and is scheduled for completion and full operational capacity in spring 2016, says JBS. CBW understands site work has begun and a cow kill might start before the end of the year. CS Beef Packers has an expected fall 2016 opening.

### Plants will Need 10,000 Cows Per Week

Both developments will significantly strengthen the region's cull cow market. CS Beef Packers' 1700 head per day capacity and JBS's 400 head mean that at least 10,000 cows per week will stay in the region. Beef and dairy producers

will get better prices, in part because of much reduced freight costs. The Hyrum expansion will create more than 120 new jobs and provide an economic opportunity for local and area producers, says JBS.

The Cache Valley's long-standing reputation for quality cattle, coupled with the growing Idaho dairy industry, uniquely positions the Hyrum facility for expansion, says Steve Williams, head of cattle procurement for JBS. While the U.S. beef industry has certainly faced recent supply challenges, JBS is confident that the expansion of its traditional cattle mix to include beef and dairy cows will result in ample cattle supply. It will also create tremendous opportunities for area producers and ensure that Hyrum will continue to build on its legacy of quality cattle and quality products for years to come, he says.

The Hyrum plant is unique in the U.S. beef industry for its long-standing community connection. Hyrum is one of the premier plants in JBS's beef business, says Bill Rupp, president and COO of JBS USA Beef. Well-known for the Blue Ribbon Beef brand, the Hyrum facility has been a proud member of the local community for nearly 80 years, he says. It is an ideal location for expansion to service the ever-growing beef market in the western U.S. The announcement is a testament to JBS's commitment to providing its customers with the best beef and ground beef products on the market and bolstering the long-term viability of this flagship facility, he says. Originally built in 1936 by E.A. Miller Meat & Livestock Co., the Hyrum beef facility joined the JBS USA family in 2007 and processes nearly half a million cattle per year.

JBS Hyrum is a significant player in the international market, exporting approximately 20% of its production to countries including Japan, Taiwan, Korea and Mexico, it says. JBS is excited about its ability to significantly increase its ground beef capabilities to meet the growing demand of its customers, says the firm's John Flynn. Tapping into the supply of beef and dairy cows already in the region will fuel JBS's ability to produce more of its top-of-the-line ground beef and beef products, he says.

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